

Employee Insurance Program and Reworks

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Employee Insurance Program

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STATE DOCUMENTS

Problem Statement

We know that the perfect human does not exist, we all make mistakes. The job of any organization is to keep errors/reworks at an acceptable rate. The definition of rework is the correcting of defective, failed, or non-conforming items during or after inspection. Filomena Sousa with Talsico International, leaders in human error reduction states many errors are due to a mismatch between the way a person thinks and works, and the design of the system(s) with which they work. The six (6) major types of errors that Sousa, identified are:

1. **Learning gap errors** - Why didn't people know what to do?
2. **Memory gap errors** - Why did people know what to do but didn't remember properly?
3. **Inconsistency errors** - Why can there be variability in how people do things, even when they know and remember what to do correctly?
4. **Application errors** - When people know what they are doing, why can they still make mistakes and apply the wrong action or information?
5. **Omission errors** - Why do people miss out a step in paperwork or procedures?
6. **Decision errors** - Why are inappropriate decisions made in a given situation?

What is the impact of these processing errors? The consequences are three-fold and far reaching. First, there is a definite increase in the number of telephone calls received through the Call Center. If an error is discovered externally, the person (subscriber or BA) contacts the Call Center for resolution. When a Call Center representative takes the call, they are instructed to correct the error, if possible. If they are unable to make the correction, the issue is forwarded to their supervisor. The

supervisor reviews the issue and corrects the error if possible or forwards it to the Call Center manager for correction. As the number of keying errors increases, the number of calls received in the Call Center increases; thus, occupying the time of several employees preventing them from servicing other customers.

Second, there is the possibility of an entity or individual being billed incorrectly. In addition to the increase in phone calls, the employee's or retiree's check can be adversely affected. If a refund is required, additional assistance would be required from our accounting department. This takes away from regular work being performed.

Third, a subscriber could easily end up having the wrong coverage or the wrong coverage level. An error resulting in a lack of coverage for an employee, retiree or their dependents has a direct impact on the subscriber's physical and emotional well being.

Data Collection

The initial step I took was to determine what factors lead or attributed to internal errors. Based on my study, it was determined that several factors were involved. These include:

1. Not paying attention and making careless mistakes. For example, an employee is talking on the phone or to a co-worker while working.
2. A policy that is interpreted differently by different people.
3. A policy change not fully communicated to the employees.
4. Interruptions such as a telephone call or a visitor. You may think you have done something but, have not.

5. The time of day that transactions are keyed. The later in the day, the more likely errors are to occur.
6. Edits in the system that should prevent certain transactions. Sometimes the system allows a transaction to process, either one done manually or through the electronic process, that should not have been processed.

The second step was to determine a statistical error rate. For this I used a report that randomly pulled five (5) transactions from each processor each day. With 122,000 transactions in 2008, this would establish a statistically valid sampling. I reviewed each transaction manually, by comparing the imaged document to the information keyed into the system. If the transaction involved a new hire, all information was reviewed (address, group number, salary, date of hire, coverage levels, beneficiaries, dependents, dates of birth, etc.) If the transaction initiated a change, such as adding/deleting a dependent, I reviewed the effective date of the change. If a transaction was rejected, I reviewed the transaction to ensure the rejection was valid and rejection reasons were listed properly. For example, if the transaction was rejected because the date of birth was missing for a beneficiary, but the beneficiary is also listed as a dependent with the date of birth listed, the transaction could have been processed.

Data Analysis

My goal for accurate processing is 98% or better. I analyzed four months of data and the results are as follows: July 97.47%; August 98.11%; September 97.91%; and October 98.91%. The average of the four months was 98.1%.

See attached for screen shots and chart

Even though the study shows that we were within the error rate, we still have areas we can approve upon. Below are the most common errors I found:

1. All rejection reasons were not included on the initial rejection form. When a document cannot be processed, it is returned to the group as a rejection. The rejection informs the group of what needs to be corrected. When a document has more than one rejection reason, all reasons should be listed. Otherwise, the group will only correct the issue listed and EIP will be forced to reject the transaction a second time.
2. Rejecting a document that can be processed. For example, in the beneficiary section 'spouse' may be indicated rather than 'husband' or 'wife'. This document can be processed without returning it because the processor has the ability to enter 'husband' or 'wife' in lieu of 'spouse'.
3. When we send a rejection back to the group and we type the reason instead of using system rejection it should be clear to the recipient. If the result of a rejection is not clear to the BA, they will call to find out the problem or the BA will attempt to figure out the problem. As a result it takes research to determine and resolve the problem.

4. Rejected transactions are left in suspense after the issue has been corrected.
For example, when a covered dependent gains state coverage, the new hire NOE is rejected until the subscriber drops the dependent from his file. Once the dependent is dropped, the processor neglects to go back and key the new hire NOE.
5. Supporting documentation is included but is overlooked and rejected back to the group.
6. When a dependent turns 19 over the summer, we require verification of full-time student status by October 1 and the processor places the dependent's file in a "2S" status. Sometimes the processor makes the status "2A" which indicates the file has been audited and nothing else is required.

There are also external factors that contribute to keying errors. Often a person's handwriting leads to a great deal of these mistakes. It could be the way they write numbers or their handwriting is difficult to read. In order to minimize this problem we have made the Notice of Election (NOE) interactive on our website and have also suggested that the Benefits Administrators use the Electronic Enrollment System (EBS) whenever possible.

Even though we are statistically doing a good job we will continue to focus on the areas that will reduce our error rate. Several initiatives are either in progress or are about to begin.

Implementation

EIP has recently implemented a policy committee charged to review all policies for consistency and compliance with our plan of benefits document. As policy changes

occur, updated information is posted on EIP's share drives for all EIP employees to access. This should eliminate confusion in interpreting a policy.

We will also begin a workflow review later this month. The entire process will be flowcharted from the time the mail is received to the time the document is processed and sent to the file. This should help us identify areas that can be improved upon or streamlined.

I will continue to audit a sampling from each processor each day. This has become a valuable tool in identifying areas that need to be addressed. In addition, I will review and continue to discuss the appropriate amount of discretion a processor should use to reduce the number of rejections.

We will send out reminders to staff when we get an influx of documentation that is only received once a year. This will cut down on errors and the processors will have it fresh in their heads.

An internal training program is being developed to assist staff members with researching rejected items. This training will not only help the staff know where to look in our system to find a answer, but it will also help them understand why transactions are rejected.

In conclusion, with humans in the equation, errors are inevitable. However, we can still look at ways to reduce or improve the error rate. With additional training, internal audits and workflow analysis, we will continue to monitor our processes and identify areas for improvement.

The data gathering tools used in this project the random sampling report the imaged document and legacy screen shots attached. Could not attach sampling report all social security numbers a HIPPA violation.

VT eipprod - WRQ Reflection for UNIX and OpenVMS

File Edit Connection Setup Macro Window Help

03/02/10 07:15:21 SOUTH CAROLINA DIVISION OF INSURANCE & GRANTS SERVICES HIS201M
EMPLOYEE INSURANCE PROGRAM HWILSC
SUBSCRIBER INQUIRY - ID DATA

SSN: BIN: EMPLOYER GROUP ID: 5390100
SPONSOR'S SSN: MONEY PLUS: Y PREVIOUS GROUP ID:

SUBSCR TYPE: ACTIVE - REGULAR MEDICARE NUMBER:
COBRA PAYMENT RECVD: EXTENDED TO C29: MEDICARE REASON:

NAME: DATE OF BIRTH: 06/15/1984
ADDRESS: MARITAL STATUS: M SEX: F
CENTRAL SC 29630

EMAIL: SALARY: 32,456
PHONE: 803 403 8715 HIRE DATE: 08/26/2009
WORK: EXT: RETIRED DATE/REASON: /
COUNTY: 39 PICKENS BUY-IN/25 DATE:
COUNTRY: HLTH SAVING ACCT: Contact:
LAST EIP TRANS: C3 COVERAGE CHANGE DATE: 11/21/2009 OPER: BIN401

Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10---PF11---PF12--
HELP AUTH CONT ID MEDCR COVR DEPND BENEF BILL HISTC MAIN

75, 75 VT102 -- eipprod via SECURE SHELL 00:05:51 Num

Screen shots of a new hire with a effective date of 9-1-09

Compare enrollee information on NOE to what was keyed

eipprod - WRQ Reflection for UNIX and OpenVMS

File Edit Connection Setup Macro Window Help

03/02/10 SOUTH CAROLINA DIVISION OF INSURANCE & GRANTS SERVICES HIS203M1
 07:19:53 EMPLOYEE INSURANCE PROGRAM HWILSC
 SUBSCRIBER COVERAGE INQUIRY

SSN: [REDACTED] GROUP: 5390100
 SUBSCR TYPE: ACTIVE - REGULAR PRE EXISTING END DATE: 07/31/2010

CURRENT COVERAGES

	PLAN/ STATUS CAT/OPT R/S	EFFECTIVE DATE	END DATE	RATE FACTOR: 1.000 EMPLOYEE PREMIUM	PAYMENT WAIVER TYPE DATE
HEALTH	A1 BB 1 00	09/01/2009		93.46	I
DENTAL	A1 DD 1	09/01/2009		0.00	
DENTAL PLUS	T4	09/01/2009		0.00	
DL/CHILD	T4	09/01/2009		0.00	
BASIC LIFE	A1	09/01/2009		0.00	
LONG TERM DIS	A1	09/01/2009		0.00	
VISION CARE	A1 UC 1	01/01/2010		7.76	CERT DATE: 10/29/2009
TOBACCO USE	T4	01/01/2010		0.00	
SLTD [REDACTED]	T4	09/01/2009		0.00	
OPT LIFE	T4	09/01/2009		0.00	
DL/SPOUSE	T4	09/01/2009		0.00	

Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10---PF11---PF12---
 HELP AUTH CONT ID MEDCR COVR DEPEND BENEF BILL HISTC MAIN

57, 1 VT102 -- eipprod via SECURE SHELL 00:12:31 Num

Compare coverage section on NOE to what was keyed on Legacy. If enrolled in SLTD make sure salary is correct. Open enrollment changes are reflected that is why there are different dates.

eipprod - WRQ Reflection for UNIX and OpenVMS

File Edit Connection Setup Macro Window Help

03/02/10 SOUTH CAROLINA DIVISION OF INSURANCE & GRANTS SERVICES HIS204M1
 07:25:17 EMPLOYEE INSURANCE PROGRAM HWILSC
 SUBSCRIBER INQUIRY - DEPENDENTS

SSN: SUBSCR TYPE: ACTIVE - REGULAR EMP GROUP ID: 5390100
 NAME:

----- MARK DEPENDENT TO VIEW DEPENDENT COVERAGE INFORMATION -----

SSN	NAME	REL/ELG	ST	EMP	GROUP	H	D	CH	SP	V
1		11A		N						

Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10---PF11---PF12---
 HELP AUTH CONT ID UP COVR DEPNB BENEF DOWN BILL HISTC MAIN

67, 3 VT102 -- eipprod via SECURE SHELL 00:14:56 Num

Go to dependent page

eipprod - WRQ Reflection for UNIX and OpenVMS

File Edit Connection Setup Macro Window Help

03/02/10 SOUTH CAROLINA DIVISION OF INSURANCE & GRANTS SERVICES HIS204M2
 09:29:59 EMPLOYEE INSURANCE PROGRAM HWILSC
 SUBSCRIBER INQUIRY - DEPENDENT DATA

SSN: SUBSCR TYPE: ACTIVE - REGULAR EMP GROUP ID: 5390100
 NAME: -----

----- D E P E N D E N T -----

SSN	NAME: LAST	SUFF	FIRST	MI	DATE OF BIRTH
					01/10/1985

RELATION: 11A M SPOUSE LAWFUL MEDICARE: PART D EFF DATE: END: REASON:
 ELIGIBILITY: PI DATE: DISPLAY MEDICARE (Y/N): N
 STATE EMP: M GRP ID: REVIEWED:

CURRENT COVERAGE INFORMATION			PRE EXISTING	WAIVER
STATUS	EFF DATE	END DATE	END DATE	DATE
HEALTH				
DENTAL				
DL/CHILD				
DL/SPOUSE				
VISION				

<PF11> = PREVIOUS COVERAGE

Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10---PF11---PF12---
 HELP AUTH CONT ID OTINS COVR DEPND BENEF BILL HISTC MAIN

68, 78 VT102 -- eipprod via SECURE SHELL 02:19:34 Num

Go into dependent page make sure matches NOE

VT eipprod - WRQ Reflection for UNIX and OpenVMS

File Edit Connection Setup Macro Window Help

03/02/10 SOUTH CAROLINA DIVISION OF INSURANCE & GRANTS SERVICES HIS205M1
 09:32:11 EMPLOYEE INSURANCE PROGRAM HWILSC
 SUBSCRIBER INQUIRY - BENEFICIARIES

SSN: SUBSCR TYPE: ACTIVE - REGULAR EMP GROUP ID: 5390100
 NAME: H

----- MARK BENEFICIARY TO VIEW BENEFICIARY COVERAGE INFORMATION -----

SSN	NAME	INSURANCE TYPES	
		BL	OL
		P	

Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10---PF11---PF12---
 HELP AUTH CONT ID UP COVR DEPND BENEF DOWN BILL HISTC MAIN

67, 3 VT102 -- eipprod via SECURE SHELL 02:21:46 Num

Review beneficiary to make sure matches NOE

You must also complete a Tobacco Certification form within 31 days of your hire date and whenever the status of tobacco use changes for you or a dependent covered under your health insurance.

ACTIVE EMPLOYEE NOTICE OF ELECTION (NOE)
SOUTH CAROLINA BUDGET AND CONTROL BOARD
EMPLOYEE INSURANCE PROGRAM (EIP)

See Instructions - If Completing By Hand Use Black Ink

ACTION	Select One: <input checked="" type="checkbox"/> New Hire <input type="checkbox"/> Transfer <input type="checkbox"/> Change		Type of Change: <input checked="" type="checkbox"/> Enrollment Other (specify) _____ <input type="checkbox"/> Address Date of Change Event: _____		BA Use Only Effective Date: 08/01/09 <input type="checkbox"/> Permanent P/T EE (20 hrs.) Group ID #: 53901 Group Name: SDPC		MoneyPlus Pretax Premiums <input type="checkbox"/> Refuse <input checked="" type="checkbox"/> Yes		
ENROLLMENT INFO	1. Social Security Number (SSN)		2. Last Name		3. Suffix	4. First Name		5. M.I.	6. Date of Birth
								H	06/15/1984
ENROLLMENT INFO	7. SEX <input checked="" type="checkbox"/> M <input type="checkbox"/> F		8. MARRIAGE STATUS <input type="checkbox"/> Single <input checked="" type="checkbox"/> Married <input type="checkbox"/> Widowed <input type="checkbox"/> Divorced <input type="checkbox"/> Separated		9. Home Phone # (828) 403-8715		10. Work Phone # ()		11. E-mail Address
ENROLLMENT INFO	12. Mailing Address		13. Apt.	14. City	15. State	16. Zip Code	17. County Code	18. Annual Salary	19. Date of Hire
				CENTRAL	SC	29630	Pickens 39	\$32,456	06/28/2009
MEDICARE	20. List yourself and any other persons to be covered who are eligible for Part A under Part B of Medicare.								
	Name		Medicare #		Eligible Due To		Effective Date		
MEDICARE									
MEDICARE	21. Do you or any of your dependent(s) have other health coverage? <input type="checkbox"/> YES <input type="checkbox"/> NO Does this coverage include prescription drug benefits? <input type="checkbox"/> YES <input type="checkbox"/> NO								
	Dependent Name		Insurance Company		Policy Holder Date of Birth		Effective Date of Policy		Termination Date (if Applicable)
COVERAGE	22. HEALTH PLAN (Refuse or select one plan and one level of coverage)								
	PLAN <input type="checkbox"/> Refuse <input type="checkbox"/> HMO <input checked="" type="checkbox"/> Standard <input type="checkbox"/> Savings <small>Basic Life and Basic Long Term Disability included automatically with health plan</small>		COVERAGE LEVEL <input checked="" type="checkbox"/> Employee <input type="checkbox"/> Employee/Child(ren) <input type="checkbox"/> Employee/Spouse <input type="checkbox"/> Family			23. STATE DENTAL PLAN (Select One) <input type="checkbox"/> Refuse <input type="checkbox"/> Employee/Spouse <input checked="" type="checkbox"/> Employee <input type="checkbox"/> Employee/Child(ren) <input type="checkbox"/> Family		24. DENTAL PLUS (Select One) <input checked="" type="checkbox"/> Refuse <input type="checkbox"/> Yes	
COVERAGE	25. DEPENDENT LIFE - Child(ren) (Select One) <input checked="" type="checkbox"/> Refuse <input type="checkbox"/> \$15,000		26. DEPENDENT LIFE - Spouse (Select One) <input checked="" type="checkbox"/> Refuse <input type="checkbox"/> Coverage Level \$ (Must be in increments of \$10,000)		27. OPTIONAL LIFE (Select One) <input checked="" type="checkbox"/> Refuse <input type="checkbox"/> Coverage Level \$ (Must be in increments of \$10,000)		28. SUPPLEMENTAL LTD (Select One) <input checked="" type="checkbox"/> Refuse <input type="checkbox"/> Plan One - 90-day benefit waiting period <input type="checkbox"/> Plan Two - 180-day benefit waiting period		29. VISION CARE (Select One) <input checked="" type="checkbox"/> Refuse <input type="checkbox"/> Employee/Spouse <input type="checkbox"/> Employee <input type="checkbox"/> Employee/Child(ren) <input type="checkbox"/> Family
BENEFICIARIES	In blocks 30 and 31, if there are additional beneficiaries or dependents, list on separate sheet, signed and dated by employee.								
	30. Basic Life/Optional Life (Select one or both) <input checked="" type="checkbox"/> Basic Life <input type="checkbox"/> Optional Life		SSN#	Last Name	First Name	Relationship	Date of Birth MM/DD/YYYY	Primary or Contingent?	
BENEFICIARIES				T	I	HUSBAND	01/10/1985	<input checked="" type="checkbox"/> Primary <input type="checkbox"/> Contingent	
								<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	
DEPENDENTS	If beneficiary is an organization or trust, complete the following: Organization/Trust _____ Address _____ If Trust, Date Signed _____								
	31. Always list spouse. List eligible children to be covered. If they are not listed, they will not be covered.								
DEPENDENTS	Add (A) or Delete (D)	Dependent SSN#	Last Name	First Name	Sex MF	Relationship	Date of Birth MM/DD/YYYY	Indicate Special Status	
		Spouse			M	HUSBAND	01/10/1985	Is spouse employed with, or retired from, an EIP-covered employer? <input type="checkbox"/> Yes <input type="checkbox"/> No	
DEPENDENTS		Child						<input type="checkbox"/> Full-time student <input type="checkbox"/> Unemployed	

Partial Copy of the NOE

